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INFORMATION REGARDING

Progress Under the Land Settlement Act

OF THE

State of California

AND ABOUT THE

Plans for Soldier Settlement in the Future

Published by Authority of the
State Land Settlement Board

May 30, 1919



CALIFORNIA STATE PRINTING OFFICE
SACRAMENTO
1919

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INFORMATION REGARDING
**Progress Under the Land
Settlement Act**

OF THE
State of California

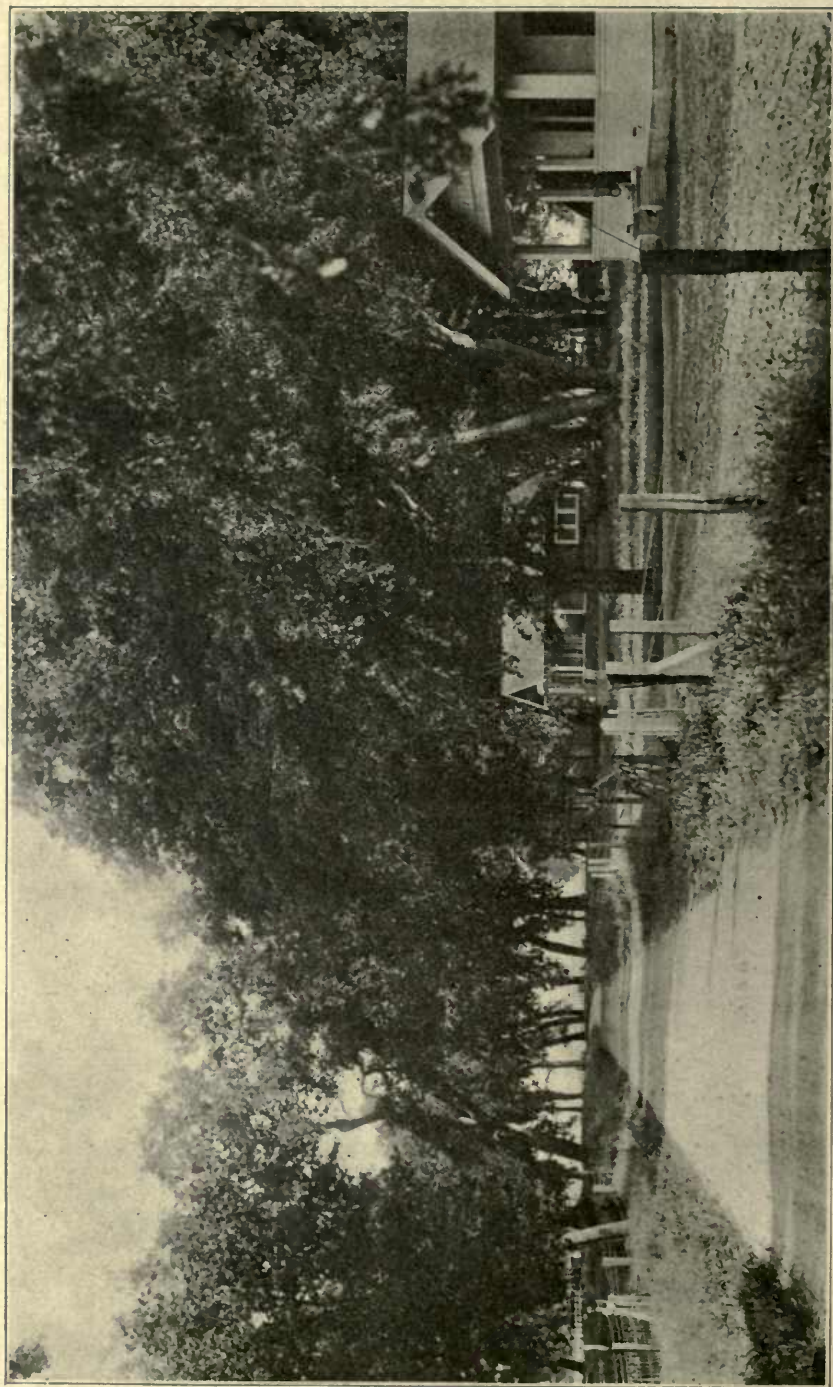
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Farm laborers' cottages, Stanford Road.

LETTER OF TRANSMITTAL.

To His Excellency, WM. D. STEPHENS, Governor,

State Capitol, Sacramento, California.

The numerous inquiries received by the State Land Settlement Board, asking for information contained in this statement, we believe, warrants its publication and distribution by the state.

Respectfully,

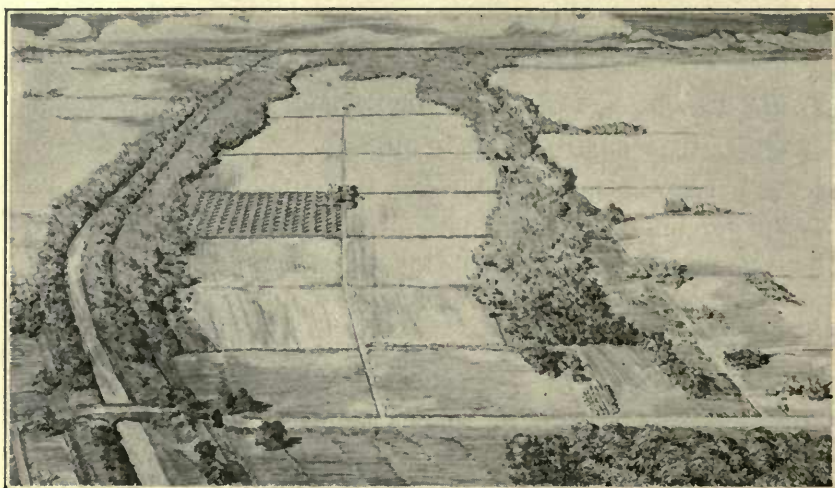
ELWOOD MEAD, *Chairman.*

MORTIMER FLEISHHACKER.

PRESCOTT F. COGSWELL.

FRANK P. FLINT.

E. S. WANGENHEIM.



General view of farms and farm laborers' allotments on a portion of the Durham Land Settlement, Durham, California.

THE CALIFORNIA STATE LAND SETTLEMENT ACT.

WHAT HAS BEEN DONE AND PLANS FOR THE FUTURE.

INTRODUCTION.

So many wish to know about the progress of the California State Land Settlement at Durham and about the plans for future colonies that adequate replies to inquiries can not be made by letters. The statement which follows will, it is hoped, give the facts which most of those interested desire.

The State Land Settlement Act was passed by the legislature of 1917.* It was to be a demonstration of what could be done by planned rural development, adequately financed, and to show how people of small means could be helped by the state to secure farms and rural homes without this aid becoming a burden to the taxpayer.

THE FIRST STATE SETTLEMENT.

The board to administer this act was appointed in August, 1917. It was authorized to buy, improve and sell to settlers 10,000 acres of land, and in order to do this invited offers of land. Out of forty tracts submitted, two, having a total area of 6,219 acres, located in Butte County near Chico in the Sacramento Valley, were bought. This land, now known as the home of the Durham Settlement, was partly under cultivation, had water rights from Butte Creek and a rudimentary ditch system.

The cost of the land, which could be irrigated, was \$100 per acre. The cost of land above the ditch (about 700 acres) was \$10 per acre.

MAKING THE LAND READY FOR SETTLEMENT.

It was the belief of those who favored this law, and of the Land Settlement Board, that, if the ability and experience of the State Agricultural College and other state agencies could be put to work to create the conditions needed for making farm life attractive, to fix the size of farms, the kind of crops to be grown and of stock to be raised, and to knit these settlers together at the outset into business and social arrangements needed to overcome the obstacles that must confront them, the results would be far better than could be hoped for in an unplanned

*Senate Bill No. 584, Chapter 755. An act creating a state land settlement board and defining its powers and duties and making an appropriation in aid of its operations. Approved June 1, 1917.

development. The first thing, therefore, was to enlist the help and co-operation of the state's experts in this task. As the land had to be irrigated, the water right was as important as the title to land. A water right litigation of five years' standing on Butte Creek was settled by inducing all holders of rights to agree as to their respective interests, and have this agreement entered as a decree by the court. In this the aid of the Attorney General was freely given and was of great value.

The sanitary experts of the University recommended that a mosquito abatement district be created as the surest way to prevent malarial trouble. The Butte County Supervisors did this, fixing its boundaries to include not only the colony lands, but a large surrounding area. Plans were made for wells to provide an adequate supply of pure water for household and drinking purposes. The statistical expert of the Prudential Life Insurance Company, after a visit to the settlement, said "that the preliminary arrangements to insure the health of its people were the most enlightened and efficient of which he had any knowledge."*

The soil experts of the university made a soil survey and prepared a soil map which was used in determining the sizes and selling prices of farms. The professors of Animal Husbandry and Agronomy helped work out the agriculture best suited to the locality. The drainage and irrigation works were planned by the engineers of the Office of Public Roads and Rural Engineering of the Federal Department of Agriculture, and the designs for houses and farm buildings were made in part

*In no other state, therefore, it would seem, are the conditions more ideal than in California to justify the undertaking of a thoroughly reorganized state health administration on the basis of new principles and inclusive of new functions essential to the attainment of decidedly better results. No state is more progressive and more willing to meet the required expense to attain the highest ideals in the proper sphere and function of every branch of the state government. California has three great universities, adequate medical schools and clinical facilities, and numerous well-managed public institutions, all useful for the purpose of sustaining a thoroughly well-worked-out plan for a modernized health administration such as is here proposed.

How much has been achieved within a comparatively short period of time is best illustrated by the gratifying success of the State Land Colony at Durham, which in practically all the details of its administration rests upon the scientific advisory assistance of the University of California. This work which has been carried forward to such a successful termination by Prof. Elwood Mead, the distinguished authority on irrigation, gives every promise of serving as a model to other sections of the country, even though the plan may not prove feasible of universal adoption. What has thus been achieved in the realm of agriculture should be equally possible in connection with efforts to improve health and physical well-being. It is to be hoped that the executive officers of the State Land Colony will see their way clear to initiate a practical method of health supervision, including physical examinations, medical assistance and institutional treatment in conformity to all the knowledge available on these subjects at the present time. If this suggestion could be adopted, the State Land Colony would only carry into further practical execution the method so successfully worked out in behalf of the students of the University of California, who for more than six years past have been under qualified medical supervision, which has been provided for at minimum expense, and without the pretense of social insurance, including all that must be considered essential to reasonable medical or surgical needs.—[Extract from "A Plan for a More Effective Federal and State Health Administration," by Frederick L. Hoffman, LL.D., Statistician The Prudential Insurance Company of America.]

by a farmstead engineer employed by the board and in part by the Architectural Bureau of the California State Engineer's office.

The scheme of accounting and the forms to be used were prepared by the State Board of Control and the numerous forms of contracts required in the sales of land and water rights to settlers and in loaning them money to improve and equip their farms were prepared by the Attorney General. In other words, state and federal officials who had for years been dealing with different features of rural life, and thereby accumulating a practical knowledge of its needs, here worked together to lay the foundation for the civilization these coming settlers would create.*

In making the soil map, samples were taken at such intervals as was necessary to make an accurate map of the whole area. With this in hand the sizes of the farms were determined so as to give considerable choice to intending settlers, keeping each farm within such limits that one family with one farm hand could take care of it. As a consequence, the farms suited to fruit growing are small, while the lands suited to farm crops were laid out in rather large units, running as high as 160 acres. In some cases a tract of grain land went with a small tract of fruit land, say 15 or 20 acres, the two tracts sometimes not being contiguous.

HOMES FOR WAGE EARNERS.

In order to do the work and meet all the needs of a rural neighborhood, something more than farms and farm owners are needed. There is need for a local blacksmith shop, for a carpenter. Not all men who like to work on farms care for the risk and worry of ownership. Some prefer to work for wages. There are kinds of farm work where two men working together can do more in one day than one man working alone could do in three days. There is therefore the same need for wage earners in farming that there is in other industries and a greater need for looking after the welfare and comfort of this class. This fact was realized in making the plans for Durham.

The greatest need of the married farm worker is to have a comfortable dwelling with ground for a garden. To provide these, 26 areas of two acres or less were located in three groups at separate but convenient parts of the settlement. On these small tracts wage earners could build a house, grow most of the vegetables needed for their table, could keep a cow and chickens, and, because it was their own, it would

*The following assisted in working out the plans for Durham and for carrying the State Land Settlement Act into effect: University of California, Professors Chas. F. Shaw (Division of Soil Technology), W. B. Herms (Professor of Parasitology), Gordon H. True (Division of Animal Husbandry), Frank Adams (Irrigation Investigations); U. S. Department of Agriculture, Mr. Milo B. Williams; State Engineering Department, Mr. W. E. Backus; State Board of Control, Mr. W. B. Draper, accountant; Mr. Frank English, Deputy Attorney General of the state of California.

Settlers make a cash payment on land of 5 per cent and can have up to 40 years to complete the payments. They may obtain a loan of 60 per cent of the cost of houses and other permanent improvements and can have 20 years in which to repay this loan. The loans for all improvements and equipment can not exceed \$3,000. The repayment of loans, which may be made by the board, on live stock or implements, may extend over a period of five (5) years.

Every contract entered into between the board and an approved purchaser shall contain, among other things, provisions that the purchaser shall cultivate the land in a manner to be approved by the board and shall keep in good order and repair all buildings, fences and other permanent improvements situated on his allotment, reasonable wear and tear and damage by fire excepted.

Each settler shall, if required, insure and keep insured against fire all buildings on his allotment, the policies therefor to be made out in favor of the board, and to be such amount or amounts and in such insurance companies as may be prescribed by the board.

No allotment sold under the provisions of this act shall be transferred, assigned, mortgaged or sublet, in whole or in part, within five (5) years after the date of such contract, without the consent of the board given in writing.

At the expiration of five (5) years after the purchase of an allotment, if the board is satisfied that all covenants and conditions of the contract covering such allotment purchase have been complied with, the purchaser may, with the written consent of the board, transfer, assign, mortgage, sublet, or part with the possession of the whole or any part of the allotment covered by such contract, but the purchaser must comply with the residence requirement of the act.

In the event of a failure of the settler to comply with any of the terms of his contract of purchase and agreement with the board, the state and the board shall have the right at its option to cancel the said contract of purchase and agreement, and thereupon shall be released from all obligation in law or equity to convey the property, and the settler shall forfeit all right thereto, and all payments theretofore made shall be deemed to be rental paid for occupancy.

The failure of the board or the state to exercise any option to cancel for any default shall not be deemed as a waiver of the right to exercise the option to cancel for any default thereafter on the settler's part.

No forfeiture occasioned by default on the part of the settler shall be deemed in any way, or to any extent, to impair the lien and security of the mortgage or trust instrument securing any loan that the board may have made as in the Land Settlement Act provided.

The board shall have the right and power to enter into a contract of purchase for the sale and disposition of any land forfeited, because of default on the part of a settler.

Actual residence on any allotment sold shall commence within six (6) months from the date of the approval of the application, and shall continue for at least eight (8) months in each calendar year for at least ten (10) years from the date of the approval of the said application, *unless prevented by illness or some other cause satisfactory to the board*; provided, that in case any farm allotment disposed of is resold by the state, the time of residence of the preceding purchaser may, in the discretion of the board, be credited to the subsequent purchaser. (Without this clause there would be a temptation for settlers to sell their holdings as soon as development began to increase values. It would also be more difficult to prevent farms being filed on by dummy agents of speculators.)

The prices of land, in each farm, were fixed with due consideration to all influencing factors, such as character of soil, roughness, accessibility, etc., the character of the soil being the chief reason for variation in price, the soil survey disclosing the fact that practically no two tracts were exactly alike. The total price of farm units ranged from \$3,600 to \$15,000, the average selling price being \$150 per acre. This increase over the purchase price covers the administration expenses, cost of roads, irrigation improvements, etc. The terms of purchase were 5 per cent down and 5 per cent interest on the unpaid balance. To the interest was added a 3 per cent annual payment on the principal, making 8 per cent a year, which pays for the farm in 20 years. Amortizing the payments lessens the heavy burden of the higher interest amounts in the earlier years.

Where improvements had been made on the property, when sold to settlers, a cash payment of 40 per cent of the value of these improvements was required; the balance to be paid in half-yearly installments extending over 20 years. On both land and improvements settlers might make a larger initial payment, or might pay off more than one installment on any interest date after five years.

LEASES CAUSED LAND TO BE SETTLED AT DIFFERENT DATES.

When purchased, a portion of the land was leased for one year and this portion could not be subdivided and sold until this lease expired, which was in September, 1918. There was also a four years' lease on 320 acres which will be subdivided and sold at the expiration of this lease. About 3,500 acres were available for immediate settlement. This

area was subdivided into 52 farms and 21 farm laborers' allotments and offered to settlers in May, 1918.

When the September lease had expired, these lands were subdivided into 27 farms and 5 farm laborers' allotments. This was opened to settlement in November. All these allotments have been sold and settled; 700 acres of pasture land and 320 acres of farm land are still to be dealt with.

PREPARING FARMS FOR SETTLERS.

Between January 1, 1918, when negotiations for the land were begun, and June, when the farms of the first unit were sold to settlers, the land was subdivided and as far as possible made ready for irrigation, and a large area was seeded to crops. Owing to war conditions it was hard to obtain teams, but on a majority of the farms all of the land or a very considerable portion had crops growing from which the settler obtained a harvest a few weeks or months after taking possession.

The settlers paid the state all the expenses of planting grain crops, except in a few cases where the settler took possession after the crop was harvested. The profit to the board from these crops was over \$2,000. A similar course was followed with the second area thrown open in November, where 1,700 acres had been seeded to grain.

The ditching and leveling of land for irrigation were treated as permanent improvements and the settler paid 40 per cent of the cost. This payment was made on all areas prepared for and seeded to alfalfa.

Great care was taken in valuing the different farms in order to make them equally attractive and, although the price of the different lands varied from \$48 to \$235 per acre, *so well had the various factors been balanced, that each farm offered was the first choice of some applicant.*

SELECTION OF SETTLERS.

Intending settlers were asked to fill out a blank form which would give a record of their experience and capital and give an outline of what they planned to do if their application was approved. These statements of plans were valuable because they indicated the applicant's judgment and experience. When there were several applicants for a single farm, they were asked to appear before the board. The board by questions and by talking with the different applicants was always able to reach a conclusion as to who was most deserving or best qualified.

The board faced a harder task when it came to deciding between the applicants for the farm workers' homes. There was some doubt as to the use a single man would have for such an area. It was believed

these homes would be worth far more to the married worker who had a family than to unmarried men, unless it was to enable them to marry. Other things being equal, applicants with families were chosen. There were also a number of applicants for these small areas who were not farm workers and did not intend to work on farms for wages. Mainly this class was made up of people who had a small income. They liked the easy payments and the prospect of securing at small cost a comfortable home in a progressive neighborhood. These homes made a special appeal to these lovers of rural life because the surroundings of Durham are very attractive. On the east there is a lovely mountain background with Mount Lassen in the distance; on the west the almond and prune orchards stretch away for miles. On two acres of land they could have a poultry farm or a market garden, and if they had a small fixed income, they could lead a pleasant care-free and comfortable life. These applicants were, as a rule, educated, earnest people who would be a valuable addition to the social life of the colony, but they were not the kind of farm workers for whom these areas were intended.

The number of applications of this character showed there is need for areas between the farm and the wage earners' home, but provision had not been made for this class. Some of the 2-acre blocks were sold to settlers who would have preferred 5 to 10 acres. In 1919 the law was amended to permit farm workers' areas having a value of \$1,000.

HELPING SETTLERS FORM A CO-OPERATIVE RURAL COMMUNITY.

This act does not end, as many suppose it does, with buying land, selling it to settlers on favorable terms, and then leaving them to shift for themselves. If it did it would be a failure. The most important work of the board comes after the settlers have selected their farms and begin the long and arduous task of earning the money to improve, equip and pay for the home. These settlers need to know each other, to be helped in forming co-operative buying and selling associations. Doing these things soon leads to the creation of a strong community spirit. The settlers are soon welded together by a desire to foster public as well as private ends. Nothing has made so favorable an impression on those who have watched the growth of this colony as the strength of the community spirit and the manner in which its creation has helped settlers overcome the obstacles which lack of capital always presents.

SOME OF THE DISTINCTIVE FEATURES IN THE DURHAM SETTLEMENT.

At the outset the settlers organized a co-operative stock breeders' association. This was done with a view to making Durham the home of pure-bred live stock. All the settlers are members. There is to be one breed of dairy cattle, one breed of beef cattle, one breed of hogs and two breeds of sheep. Only pure-bred sires are to be used and those owned on the settlement are to belong to the association or be approved by its executive committee.

In cattle Holsteins were adopted as the dairy breed, Shorthorns as the beef breed, Duroc Jerseys is the approved breed of hogs, and Romney Marsh and Rambouillet the breeds of sheep.

The executive committee of this association has done most of the buying for the settlement. Professor Gordon H. True, head of the Animal Husbandry Division of the University, is chairman and the other members are all good stockmen.

As the settlers have little capital, they have not been able to buy many pure-bred animals, but in what they have done, they have been helped greatly by the generous interest and co-operation of men interested in the breeds adopted. Mr. Fred J. Kiesel of Sacramento gave the association a registered Holstein bull, unsurpassed in breeding by any in the state; and Mr. R. K. Walker of Bonita, California, gave a registered Duroc boar. They bought another pure-bred bull of excellent breeding from the noted Morris herd, the owner letting them have this animal at a greatly reduced price. Several farms have nothing but registered cattle and hogs.

The committee appointed to buy cows bought only animals that had been tested for tuberculosis, as it is intended to start and keep free of this disease. Owing to the urgent need for more cows than the committee was able to buy, some of the settlers bought without testing, on the understanding that they were to be tested in the near future. On the visit of the university veterinarian, it was found that three-fourths of the cows so purchased were tubercular. Action was taken at once to dispose of all these animals, all the members of the association having generously agreed to share the loss instead of leaving it to fall wholly on the few unfortunate buyers. If it had not been organized as a co-operative settlement, the effort to keep out tuberculosis would have broken down the first year.

The settlement has a buying and selling committee which buys implements and supplies for the members at wholesale for cash. It has in this way bought seed grain, seed alfalfa, seed potatoes, farm implements

and numerous other things, and wholesale prices are often obtained. They are making progress toward selling as a community. The benefits of this co-operative action have already been strikingly illustrated.

AID TO SETTLERS IN IMPROVING THEIR FARMS.

Instead of leaving each of the 120 families on the settlement to buy material, look for workmen and design his house and farm buildings, the board has helped the settlers plan their houses, buy fence posts, fence wire, cement, lumber and pipe in carload lots for cash. In this way an amount of time and money has been saved which can only be realized fully by those who have seen the results.

The plans of houses for settlers and their location on each farm were worked out by the farmstead engineer after he had gone into this matter fully with the settler and his wife. The plans for each homestead worked out through these conferences of the engineer and the settler, included the grouping of all the farm buildings and arrangement of roads, the garden, the orchard and fields of each farm. The settler began therefore with a working plan, not only for present, but future improvements. Nothing has been done in a casual or haphazard fashion and, as a result, a country neighborhood has been created in less than a year's time which, because of convenient arrangement of roads and farms and attractiveness of houses, is a source of pride and satisfaction to the settlers and presents a favorable contrast to the unplanned development of any new community elsewhere.

The photographs and drawings of some improved farmsteads and the illustrations of farm laborers' homes (pages 23, 25, 28, 29) will give some idea of what has been accomplished in the first twelve months of this development.

THE IMPORTANCE OF THE SUPERINTENDENT.

The people of this settlement have come together from all parts of the country, from Alaska to Texas. They include a dozen nationalities. To bring them into a harmonious working relation in matters affecting the community and to determine what aid the state ought to give and where it ought to be withheld is a task that requires tact, practical knowledge of farming, and good judgment as to men. The board has realized that it must restrict its activities to those things that would assist, stimulate and encourage effort on the part of settlers and stop at the point where aid would tend to lessen self-reliance and initiative. The personal representative of the board in the settlement is therefore a very important individual. Mr. George C. Kreutzer, the

superintendent at Durham, is a graduate of an agricultural college, has worked for the U. S. Reclamation Service, was superintendent of a state land settlement in Australia, and a farm adviser in California. He brought to his task not only fine natural qualities, but an unusually rounded-out experience.

He has been the counselor and friend of each settler in regard to when to plant crops, in the buying of live stock and equipment and tools, and their adviser in forming co-operative buying and selling organizations; has been an officer of the settlers' co-operative stock breeders' association and has directed the construction of the extensive scheme of roads, drains and other irrigation works which have cost over \$100,000, as well as preparation of land and putting in crops for settlers by the board, which during the first year cost over \$45,000.

Mr. Kreutzer has had a valuable assistant in Mr. Max E. Cook, the farmstead engineer. The settlers have found in him a competent and sympathetic adviser. He has saved them alike from the mistakes of extravagance and of attempting to live in houses lacking sanitation and convenience. His supervision of houses and farm buildings enabled the 120 settlers to go about their urgent farming operations at a time when this was of vital importance. Houses and barns have been built in less time at less cost, are better planned, are more convenient and comfortable than would have been possible under an unplanned unorganized development.

THE ADVANTAGES OF READY-MADE FARMS.

The average cost of the 40-acre farms in this settlement, with the improvements and equipment, would be about \$300 an acre. The settler must earn 5 per cent interest on this amount, taxes, and charges for water used in irrigation, which together amount to about \$20 an acre, before he can set aside anything for living expenses or to meet the payments on land and on money borrowed for improvements. This makes time an element of first importance. The settler with small capital must grow a crop the first year. The board helped him to do this by hiring a large outfit to prepare some land for irrigation and seed it to alfalfa, and to prepare and seed a much larger area to grain. The settlers who secured these ready-made farms paid the state 40 per cent of the cost of preparing land for irrigation and the full cost of seeding land to grain. The settlers who secured farms in June, 1917, were able to cut three crops of alfalfa before winter. Those that had grain crops, harvested and sold them within two months after taking possession. The ready-made farm gave them a living income the first season.

The following statement of returns from the grain crops planted by the board shows how settlers were helped by this preparatory work. Some of the settlers were able to grow a crop of beans after the grain crop was harvested:

C. W. BAKER, Allotment 1—15.4 acres oats.

Sold crop standing-----	\$262 40	
Value of straw and stubble-----	64 00	
	<hr/>	\$326 40
Paid board -----		221 40
		<hr/>
Net return -----		\$105 00

E. O. MESSINGER, Allotment 6—18.2 acres barley.

348 sacks at \$2.25-----	\$783 00	
Value of straw and stubble-----	72 00	
	<hr/>	\$855 00
Paid board for planting-----	\$218 40	
Sacks and threshing -----	205 32	
Binding twine, hauling, etc.-----	45 00	
	<hr/>	468 72
		<hr/>
Net return -----		\$386 28

WM. DEVENEY, Allotment 7—20.4 acres barley.

419 sacks barley at \$2.25-----	\$942 75	
Value of straw and stubble-----	80 00	
	<hr/>	\$1,022 75
Sacks and threshing -----	\$251 40	
Binding, hauling, twine, etc.-----	105 25	
	<hr/>	356 65
		<hr/>
Net return -----		\$666 10

CARL NEILSEN, Allotment 10—18 acres barley.

375 sacks barley at \$2.25-----	\$843 75	
Straw and stubble-----	72 00	
	<hr/>	\$915 75
2 tons hay-----		40 00
		<hr/>
		\$955 75
Paid board -----	\$209 00	
Threshing and sacks-----	225 00	
Binding twine, hauling, etc.-----	45 00	
	<hr/>	479 00
		<hr/>
Net return -----		\$476 75

A. I. MAXWELL, Allotment 11—12.6 acres barley.

236 sacks barley at \$2.25-----	\$531 00	
Value of straw and stubble -----	50 00	
2 tons hay -----	40 00	
	<hr/>	\$621 00
Paid board -----	\$126 00	
Sacks and threshing-----	141 60	
Binding twine, hauling, etc.-----	40 00	
	<hr/>	307 60
		<hr/>
Net return -----		\$313 40

E. E. WILL, Allotment 61—47 acres barley.

713 sacks at \$2.32½	\$1,657 73	
Value of stubble for hog raising	75 00	
		\$1,732 73
Paid state for plowing and seeding	\$640 00	
Cost of harvesting	165 55	
Sacks	178 25	
Cartage to warehouse	35 00	
Insurance and incidentals	16 65	
		1,036 35
Net return		\$696 38

JOS. N. THORNTON, Allotment 39—54 acres wheat.

337 sacks wheat at \$4.50	\$1,516 50	
Value of cheat and stubble	162 00	
		\$1,678 50
Paid state	\$702 00	
Harvesting, sacks, cartage and insurance	352 00	
		1,054 00
Net return		\$624 50

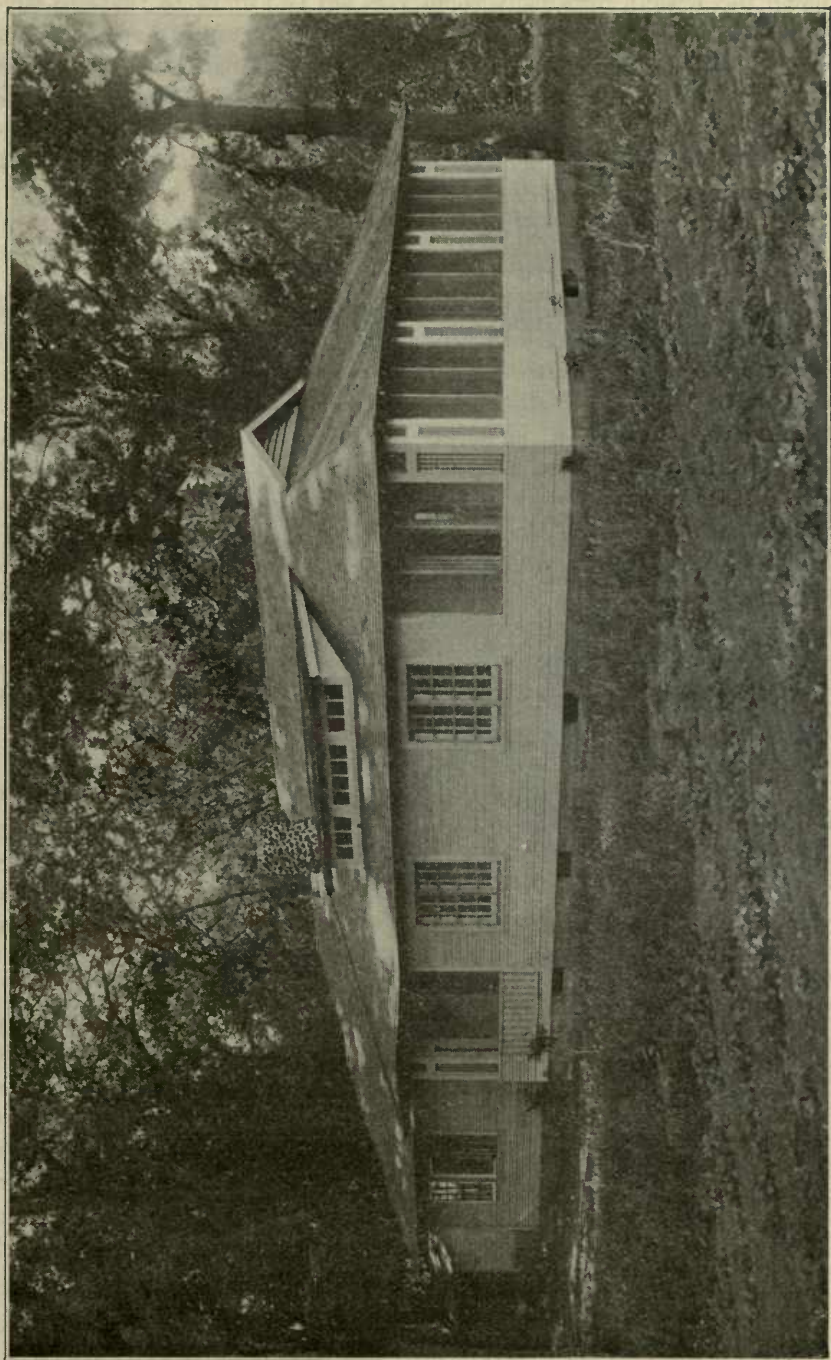
FRANK M. HALL, Allotment 59—47.7 acres barley.

84,000 lbs. (787 sacks) at \$2.35 per cwt.	\$1,974 00	
13 sacks of cheat at \$1.25	16 25	
Stubble	25 00	
		\$2,015 25
Paid board for putting in crop	\$620 10	
Harvesting, sacks, insurance, etc.	440 00	
		1,060 10
Net return		\$955 15

ROY WHITE, Allotment 60—60 acres barley.

980 sacks at \$2.55	\$2,499 00	
3 tons grain hay at \$15	45 00	
Stubble	75 00	
		\$2,619 00
Paid board	\$720 00	
Harvesting, sacks, insurance, etc.	508 50	
		1,228 50
Net return		\$1,390 50

The help given settlers in planting crops saved them a year's delay. They could not have done this work themselves, nor could they have hired the large number of teams and implements needed to do the work in a short time. Even the board could not hire the needed teams. It had to buy a 75-horsepower Best tractor and full equipment of plows and cultivators. It has also had to buy teams to supplement the contracting outfits engaged. Its work did not displace or lessen the settlers' efforts because the board did only what the settler could not do. The result has been that within twelve months from the date of beginning settlement, all of the land is under cultivation. It would have



Home on Allotment 5.

taken the settlers working without this aid two or three years to have brought about this result. In the interval there would have been idle land and small returns. This saving of time is a great factor in increasing the settler's income, keeping him from becoming disheartened and enabling him to make his payments. This kind of organized development is more economical and far more valuable to the settler than lending him money with which to hire the work done.

FINANCIAL SUMMARY.

The board bought the two tracts of land for \$542,719. The settlers' contracts and the leased land have a value of \$828,885. The difference between the buying and selling price is being used to build roads, irrigation works, drains and other community improvements and to pay all administrative expenses, including salaries of the superintendent and the farmstead engineer. The improvements are nearly all completed. The ditches will be turned over to a co-operative association of settlers without any additional charge.

The greater part of the area was bought from Stanford University, the board paying one-tenth cash, and is to pay the remainder in amortizing payments extending over 20 years. These payments are being met by payments from settlers. It owes the state \$250,000 and pays the state \$10,000 per year interest until the \$250,000 begins to be repaid. The present year's interest is in the state treasury, although it is not due until June 30.

The settlers who were granted farms had an average capital of \$3,000 in cash and some of them had fairly good equipment. Considerably more than half the settlers were tenant farmers and they would still be renters if they had been compelled to buy under ordinary commercial conditions. All have a knowledge of farming, but with all these advantages, it will take industry and frugality and good management for them to meet their payments for the first five years.

It will be far easier for the people in this colony who are all making the same struggle, all faced by the same problems and all required to live in about the same way, to succeed, than it would be if they were scattered through different communities and surrounded by neighbors who either owned their farms or who were not trying to accumulate money to pay for one. The fact that all these settlers are in debt, that they are all compelled to work hard and be careful and saving is a source of strength to the less experienced members of the colony, and especially to those who lack strength of purpose.

Group settlement gives the benefits of pioneering without its hardships. The first settlers in any new country take their privations and hardships as a matter of course because everybody has to endure them. There is no contrast of better conditions to make them discontented. This spirit of cheerful indifference to temporary privations is marked in the Durham Colony. Some of the settlers are living in their barns the first year, either because they lacked money to build a house, or because they believed labor and material would be cheaper later on. Outside of the settlement living in a barn would be a humiliation, but



Part of 22 acres reserved for community purposes.

in the colony it commands admiration and respect. All these aids to frugality, keeping settlers in good heart and willing to persevere, are needed.

Farming is not a highly lucrative occupation and the expenses of converting raw land into a habitable and productive farm are far greater today than they were a few years ago. Material needed for fences, buildings, the cost of live stock and implements and skilled labor when it is employed, all make heavy inroads on the settler's capital. The fact that the board is in a position to extend sympathetic help in cases of misfortune is a great encouragement to the aspiring, as the oversight of the superintendent is a stimulant to those who might otherwise become negligent and shiftless.

SOCIAL PROGRESS OF THE COLONY.

The board set aside 22 acres as a community center. It is part of an oak grove (see page 21). It is planned to have on this area a community hall where different social and business organizations will meet. There will be a sport grounds where the boys can play baseball and the girls tennis. Later a vocational school is hoped for. This grove has become the picnic grounds of that section. It is something that every rural community needs and very few have.

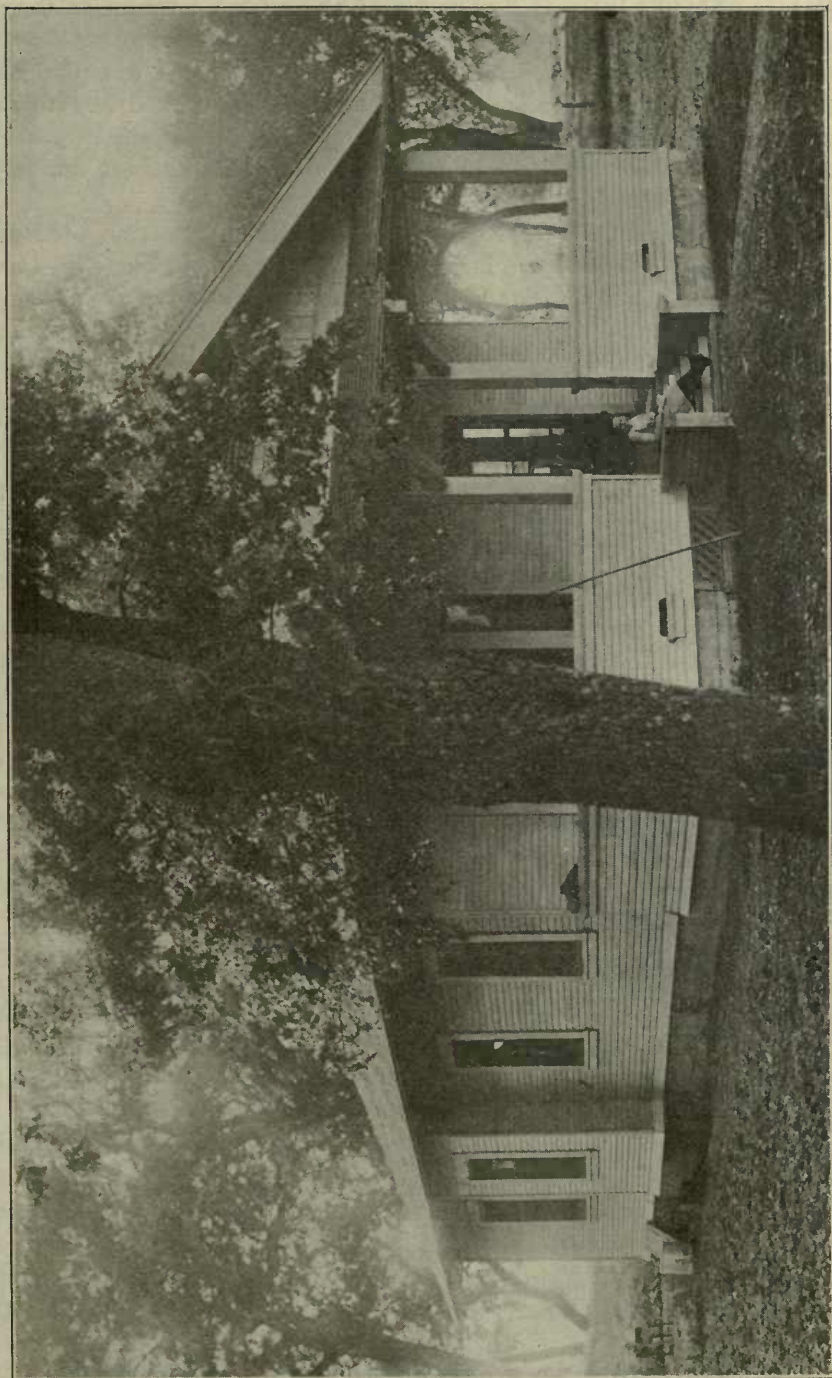
When this property was purchased, no landowner had lived on it for twenty years. It was farmed by tenants and hired labor. Today 120 families live in their own homes and till their own fields, and in these homes there are over 200 children. The selling price of land has been increased, not only within the boundaries of the settlement, but around it. It has increased the revenue from taxes, increased the business of the surrounding towns, added to the political and social strength of the state, has added to the aspirations, the comfort and happiness of every family. This has been done without any cost to the taxpayers of the state. It encourages those who believe in an enlarged use of the state as an instrument of direct service in those things that affect the general welfare.

THE FARM LABORER'S ALLOTMENT A STEPPING-STONE TO THE FARM.

The families of small capital who were content with farm laborers' allotments have done well. The initial payment on these allotments was less than \$20, and where the applicant did not have enough capital to build his house he had no difficulty in securing a loan from the board for money to buy the material, the settlers as a rule agreeing to make monthly payments. These workers were able to earn from \$2.50 to \$3.50 a day with board, or up to \$4.50 where they boarded at home. Carpenters have earned \$5.25 a day for eight hours' work and have been able to improve and cultivate their blocks outside of the working hours without losing any time. The farm worker who had a team was paid \$6.50 a day for himself and team.

Figures (1) and (2) are the homes of farm workers which are inserted to show how comfortable and attractive they can be made, and below each of these is a summary of what the settler has earned and saved since June last.

Several farm workers are planning to buy more land in the near future and become their own employers. They will have no difficulty in disposing of their present homes when ready to make the change.



Home on Farm Laborer's Allotment "R." Area two acres. The owner of this allotment, Mr. H. C. Webber, came to the project in September, 1918. Has earned \$1,100.00 since his arrival. The house is worth \$1,250.00, and it was necessary for the State to advance only \$400.00 to make it possible for Mr. Webber have this home.

It is confidently believed that many of these farm laborers or their children will be farm owners of the future. This aspiration for larger areas is not, however, universal. One farm worker had a capital of \$4,700 when granted his 2-acre allotment. He has worked for others all his life, has a horror of debt, and no desire to assume the responsibilities of management. He prefers to continue the kind of employment he understands and with which he is content.

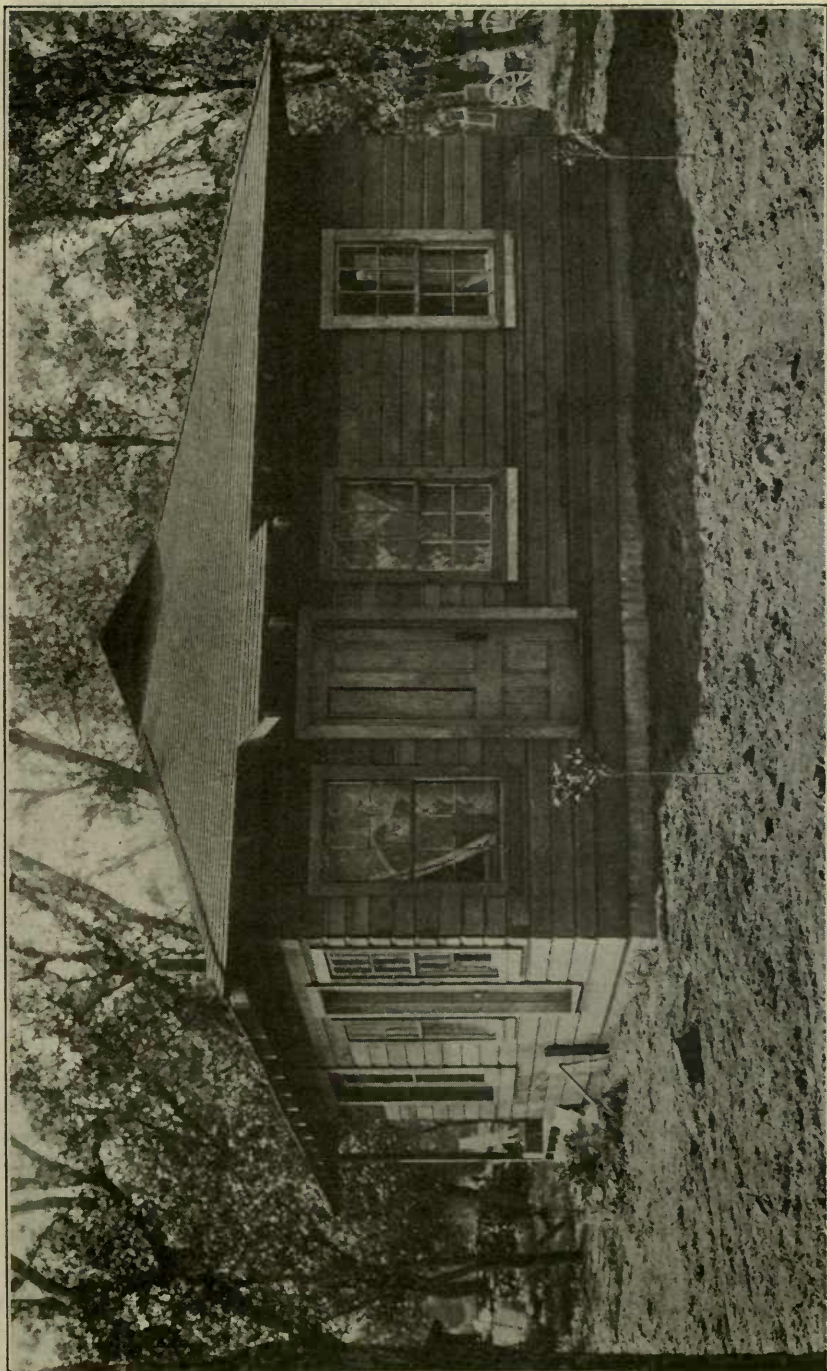
Before the plan of creating farm laborers' homes was adopted at Durham, the farm laborer's family in California, as elsewhere, had as a rule to live in town. The head of the family was away from home and children. He and they had no social status. There was nothing in their life to encourage independence, ambition or self-respect, the things that develop character. Children had little opportunity to become familiar with rural life or to learn how to plant and grow crops. The homes on these 2-acre blocks will be the training school of many an expert cultivator of the future and a source of pride and satisfaction to all who dwell therein.

PLANS FOR THE FUTURE.

Although less than a year old, the settlement has become widely known. Officials from ten American states, from Canada and Australia have visited the colony and made reports on the scheme and its results. Agricultural and engineering papers, magazines and reviews have described and discussed its plans and the state policy of which it is a concrete illustration. This challenge to public attention is not due to the size of the settlement or the amount of money appropriated to finance it. It grows out of the fact that it is an attempt to solve in a definite way some problems of rural life in the United States that for the last twenty-five years have caused growing anxiety and unrest.

Acting on the recommendation of Governor Stephens, the legislature in 1919 appropriated \$1,000,000 for continuing the settlement policy and authorized a bond issue of \$10,000,000. The latter will have to be ratified by vote of the people. If approved, it will enable the board to proceed with land settlement work in a more systematic and economical way than would otherwise be possible.

The \$1,000,000 appropriation will not be available until August and the Land Settlement Board can not officially invite offers of land until then, but some land has already been tendered informally and it is hoped other areas may be, so that the period of investigation, after the money becomes available, may be shortened. It is hoped that the next area purchased will be large enough to provide homes for about 250



Cottage on Farm Laborer's Allotment No. K, owned by Mr. Campbell Schooling. Mr. Schooling took possession of this allotment in August, 1918, and deferred building until February, 1919, due to both himself and his wife being employed constantly during the early fall in the prune orchards. The family in this way were able to earn as much as \$6.50 per day. The State was not required to assist the Schoolings in the financing of this home.

settlers; more than twice this number have already registered as applicants for farms or farm workers' homes. Under the amended act, the board may give preference to returning soldiers and sailors, and no doubt this will be done. If the bond issue is approved, the larger sum of money thus made available will enable the state to make this act an adequate means of showing our gratitude for the sacrifices and risk of the soldiers and to create in different sections of the state, organized and highly successful rural communities.

The date of opening of the next settlement will depend on the amount of work required to prepare the land for settlement. If an area can be secured already provided with water for irrigation, or one which does not require the construction of costly works, then it ought to be possible to have farms ready for settlement in the spring of 1920. The board will hasten the preliminary steps in every way consistent with economy.

CAPITAL THE INTENDING SETTLER SHOULD HAVE.

Some objections have been raised to the requirement of the board, in dealing with settlers at Durham, that each approved applicant for a farm should have not less than \$1,500 in money or its equivalent in live stock and farming implements. It was thought that this would exclude many otherwise worthy persons. The board believes that this requirement is a protection to oversanguine and inexperienced applicants. The farm and its equipment mean an investment of anywhere from \$5,000 to \$20,000. This is too great a burden of debt for a settler without money to assume. Payments under these conditions can only be met by toil and privations that are not desirable even if a settler is willing to assume them.

It would also be a doubtful venture for the state to furnish an improved and equipped farm to anyone who had no money of his own invested and who could, therefore, abandon the property at any time without loss. It would be an invitation to the unstable and inexperienced. It would also lessen the number benefited as there would be a much larger expenditure for each accepted settler. Both in the interest of the settler and of the state, therefore, a certain capital is needed and \$1,500 was regarded as a minimum for Durham. The wisdom of this has been amply demonstrated. In one instance sickness and accidents in the settler's family involved expenses equal to the settler's capital. If he had had no funds of his own, the state would have not only had to furnish the land, the money for its improvement, but also to pay surgeons' and doctors' bills. In this instance the settler's capital was his

insurance. He has been able to pull through and will succeed. He would have failed without it.

Other countries that have had considerable experience in planned rural development have found it imperative to require the settler shall have some capital. In Denmark he is required to have not less than one-tenth of the cost of the completed farm. In most of the Australian states he is required to have a capital of \$1,200 to \$1,500. As a rule, it will be safer and better for a man with less than \$1,500 in money or equipment to begin with a farm laborer's allotment which does not require any capital, and the act has been amended so that a farm laborer's allotment can hereafter have a value of \$1,000. Under the original act it was \$400.

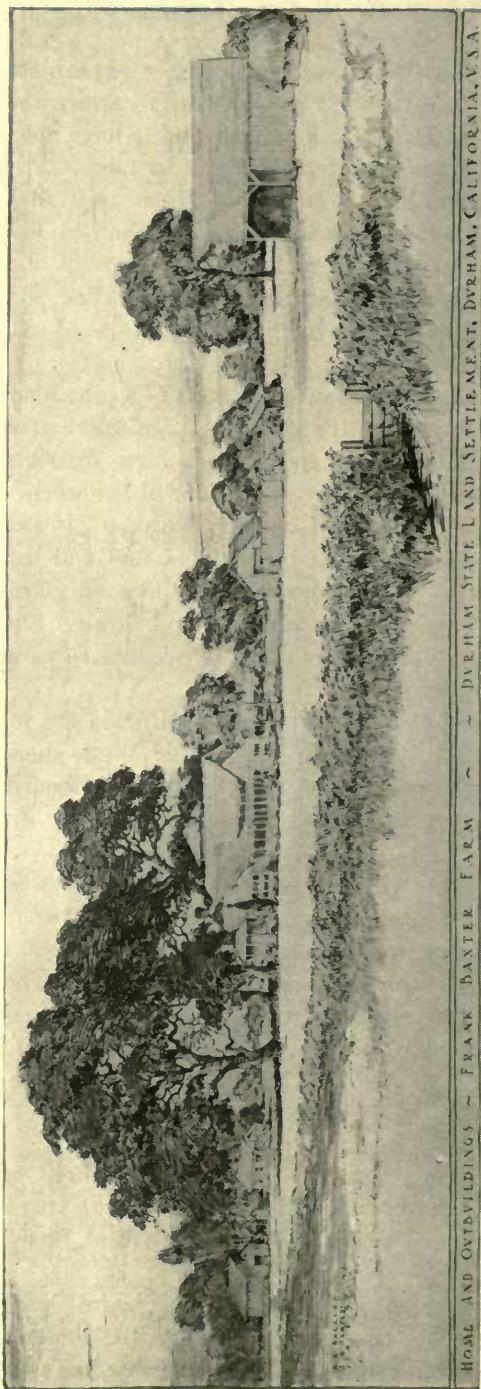
The high price of land is a source of anxiety to the board. So much of the colonizing activity of the past has been speculative that it has helped to inflate land prices. In the best farm districts of America farm lands cost more than in any other part of the world except in the more densely peopled sections of western Europe. In other countries, it has long been recognized that high prices for land inflict the same burden on agriculture that watered stock does on industrial undertakings, and efforts are made by taxation and through the influence of public opinion to keep land prices down to productive values. Here we have encouraged inflation.

While it is believed that conditions in California are more favorable than in the agricultural states of the Middle West, there is a danger that land prices here may restrict the efforts of the board to help men secure farms. This gives added importance to the farm workers' homes.

The next settlement will involve less labor than was required to start the first one. Its accounting forms have all been prepared, as have the forms of contracts with settlers. Plans and estimates for farm buildings for Durham can be used elsewhere. The tractor and its equipment, the teams and tools bought for the first settlement, can be moved to the next one, for the board's development at Durham will soon be ended.

If the foregoing does not give the information desired, or if intending settlers wish to be informed by letter when the next area will be ready, write to the Secretary of the State Land Settlement Board at Berkeley, California.

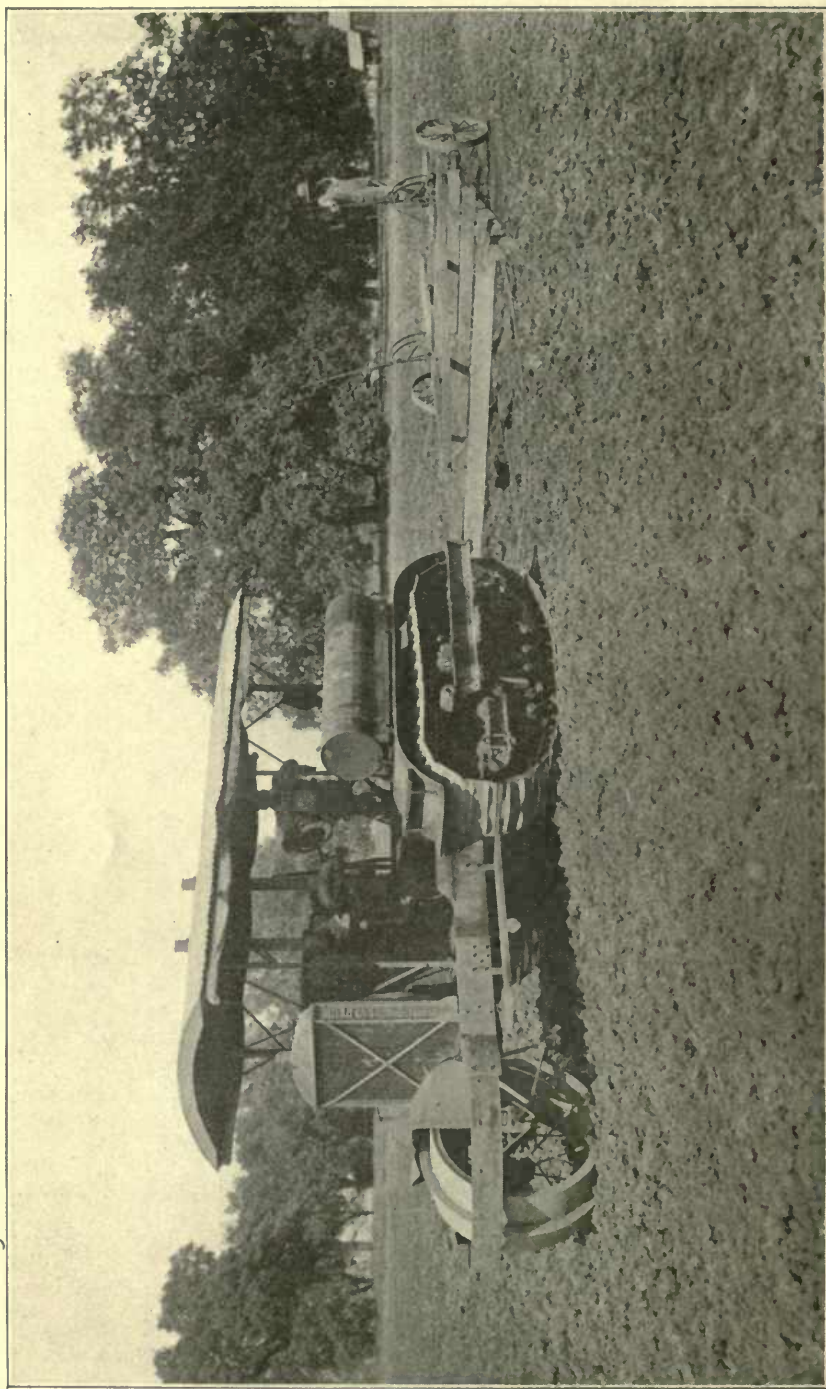
For the next settlement or settlements, the board desires an area of 10,000 to 15,000 acres, or two areas of 5,000 to 10,000 acres. The board would like to hear from owners or others interested as to where suitable land may be purchased.



HOME AND OUTBUILDINGS ~ FRANK DEXTER FARM ~ DURHAM STATE LAND SETTLEMENT, DURHAM, CALIFORNIA, U.S.A.



THE DEVELOPMENT OF DURHAM'S FIRST SETTLER, CARL NEILSEN - ALLOTMENT NO. 16, DURHAM STATE LAND SETTLEMENT, DUEHAM, CALIFORNIA, U.S.A.



Tractor and checker at work



Making concrete pipe for use in settlers' ditches.

APPENDIX.

SENATE BILL NO. 584 (OLD ACT).

SENATE BILL NO. 221 (NEW LAW).

COPY OF APPLICATION FORM, COMPLETE.

SENATE BILL NO. 584.

CHAPTER 755.

An act creating a state land settlement board and defining its powers and duties and making an appropriation in aid of its operations.

[Approved June 1, 1917.]

The people of the State of California do enact as follows:

SECTION 1. The legislature believes that land settlement is a problem of great importance to the welfare of all the people of the State of California and for that reason through this particular act endeavors to improve the general economic and social conditions of agricultural settlers within the state and of the people of the state in general.

SEC. 2. With the object of promoting closer agricultural settlement, assisting deserving and qualified persons to acquire small improved farms, providing homes for farm laborers, increasing opportunities under the federal farm loan act, and demonstrating the value of adequate capital and organized direction in subdividing and preparing agricultural land for settlement, there is hereby created a state land settlement board to consist of five members appointed by the governor to hold office for a term of four years and until their successors have been appointed and shall have qualified; *provided, however*, that of the members first appointed two shall be appointed to hold office until the first day in January, nineteen hundred eighteen, one until the first day in January, nineteen hundred nineteen, one until the first day in January, nineteen hundred twenty, and one until the first day in January, nineteen hundred twenty-one.

The members of the board shall receive a per diem for each meeting attended, to be fixed by the state board of control with the approval of the governor; they shall also receive their actual necessary traveling expenses in the discharge of their duties.

The board shall elect its own chairman and secretary. The secretary may or may not be a member of the board. The board shall appoint a superintendent who shall be the general executive officer of the board, and such expert, technical, and clerical assistance as may prove necessary, and shall define their duties. It shall fix the salaries of all officers and other employees, with the approval of the state board of control.

SEC. 3. The state land settlement board, hereinafter called the board, shall constitute a body corporate with the right on behalf of the state to hold property, receive and request donations, sue and be sued, and all other rights provided by the constitution and laws of the State of California as belonging to bodies corporate.

Three members of the board shall constitute a quorum and such quorum may exercise all the power and authority conferred on the board by this act.

SEC. 4. For the purposes of this act the board may in the manner hereinafter provided acquire on behalf of the state agricultural lands in California that are susceptible of intensive culture and suitable for colonization in an area of not more than ten thousand acres, together with any water rights and rights of way desirable or necessary therefor, and shall without delay improve, subdivide and sell such lands with appurtenant water rights to approved bona fide settlers under the conditions and in the manner hereinafter provided; *provided*, that, with the approval of the governor, the board shall have the authority to set aside for township purposes a suitable area purchased under the provisions of this act and to subdivide such area and sell or lease the same for cash, in lots of such size, and with such restrictions as to resale, as, with the approval of the governor, they shall deem best; *and provided, further*, that the board shall have authority to set aside and dedicate to public use such area or areas as it may deem desirable for roads, schoolhouses, churches, or other public purposes.

SEC. 5. Whenever the board believes that private land should be purchased for settlement under this act, it shall give notice by publication in one or more newspapers of general circulation in this state, setting forth the area and character of the land desired and the conditions that shall govern such proposed purchase, and inviting owners of lands believed to be suitable, and who are willing to enter into a contract for the sale of such lands on the conditions proposed, to submit such lands for inspection.

SEC. 6. Within thirty days thereafter the board shall direct an officer or officers in its employ, or one or more persons who may at its request be designated by the dean of the college of agriculture of the University of California, to inspect and report on all tracts of land suitable for closer settlement which are so submitted.

SEC. 7. The board shall give not less than one week's notice of the approximate date when tracts submitted will be inspected and every report of such inspection shall as far as practicable specify the—

- (a) Situation and brief description thereof;
- (b) Extent and situation of land comprising so much of any tract as it is proposed to acquire;
- (c) Names and addresses of the owners thereof;
- (d) Character of water rights;
- (e) Nature of improvements;
- (f) Crops being grown on land;
- (g) Appraisement of value of land, water rights and improvements.

SEC. 8. On receiving the reports on all of the land examined the board shall decide which of the areas is best suited to the purposes of this act. Before so deciding the board may examine the land, or it may employ one or more competent valuers to fix the productive value of the land and report the same in writing; the owner or his agent may give evidence as to its value.

SEC. 9. If from the evidence submitted or from the results of its personal inspection the board is satisfied that one or more of the tracts submitted are suited to intensive closer settlement and can be acquired at a reasonable price, it shall submit to the governor its report, giving the reasons for recommending the purchase, and on the approval of the governor the board shall be authorized to purchase the same; *provided*, that before such purchase is made, the attorney general shall approve the title of such lands and any water rights appurtenant thereto, and the president of the state water commission shall certify in writing as to the sufficiency of any water rights to be conveyed.

SEC. 10. All purchases of land under this act shall be made under such terms and conditions as shall give to the board full control of any subdivisions thereof until all moneys advanced by the state for the purchase, improvement, or equipment of such subdivisions are fully repaid, together with interest thereon as herein provided.

SEC. 11. Immediately upon taking possession of any land purchased as above, and after deducting any areas to be set aside for townsites or public purposes in accordance with section four of this act, the board shall subdivide it into areas suitable for farms and farm laborers' allotments, and lay out, and where necessary, construct roads, ditches, and drains for giving access to and insuring the proper cultivation of the several farms and allotments. The board, prior to disposing of it to settlers, or at any time after such land has been disposed of, but not after the end of the fifth year from the commencement of the term of the settler's purchase contract, may—

- (a) Prepare all or any part of such land for irrigation and cultivation;
- (b) Seed, plant, or fence such land, and cause dwelling houses and outbuildings to be erected on any farm allotment or make any other improvements not specified above necessary to render the allotment habitable and productive in advance of or after settlement, the total cost of such dwellings, outbuildings, and improvements not to exceed one thousand five hundred (\$1,500) dollars on any one farm allotment;
- (c) Cause cottages to be erected on any farm laborer's allotment and provide a domestic water supply, the combined cost of the cottage and water supply not to exceed eight hundred (\$800) dollars on any one farm laborer's allotment;
- (d) Make loans to approved settlers on the security of stock and farm implements, such loans to be secured by mortgage or mortgages on such stock or farm implements, and the total amount of any such loan, together with money spent by the board on improvements as above specified, not to exceed three thousand dollars on any one farm allotment.

SEC. 12. Authority is hereby granted to the board, where deemed desirable, to operate and maintain any irrigation works constructed to serve any lands purchased and sold under the provisions of this act. All moneys received in tolls or charges for the operation and maintenance of any works or for any water supplied therefrom, shall be deposited in the land settlement fund created by this act and shall become available for the payment of any costs, expenses, or other charges authorized in this act to be paid from said land settlement fund.

SEC. 13. After the purchase of land by the board under the provisions of this act and before its disposal to approved bona fide applicants the board shall have authority to lease such land or a part thereof on bonded or secured lease on such terms as it shall deem fit.

SEC. 14. Lands disposed of under this act, other than lands set aside for town-sites or public purposes, shall be sold either as farm allotments, each of which shall have a value not exceeding, without improvements, fifteen thousand dollars, or as a farm laborer's allotments, each of which shall have a value not exceeding, without improvements, four hundred dollars. Before any part of an area is thrown open for settlement there shall be public notice thereof for thirty days in one or more daily newspapers of general circulation in the state, setting forth the number and size of farm allotments or farm laborer's allotments, or both, the prices at which they are offered for sale, the minimum amount of capital a settler will be required to have, the mode of payment, the amount of cash payment required, and such other particulars as the board may think proper and specifying a definite period within which applications therefor shall be filed with the board on forms provided by the board. The board shall have the right in its uncontrolled discretion to reject any or all applications it may see fit and may readvertise as aforesaid as often as it sees fit until it receives and accepts such number of applications as it may deem necessary.

SEC. 15. Any citizen of the United States, or any person who has declared his intention of becoming a citizen of the United States, and who is not the holder of agricultural land or of possessory rights thereto to the value of fifteen thousand dollars, and who by this purchase would not become the holder of agricultural land or of possessory rights thereto exceeding such value, and who is prepared to enter within six months upon actual occupation of the land acquired, may apply for and become the purchaser of either a farm allotment or a farm laborer's allotment; *provided*, that no more than one farm allotment or more than one farm laborer's allotment shall be sold to any one person; *provided, further*, that no applicant shall be approved who shall not satisfy the board as to his or her fitness successfully to cultivate and develop the allotment applied for.

SEC. 16. Within ten days after the final date set for receiving applications for either farm allotments or farm laborer's allotments the board shall meet to consider the applications, and may request applicants to appear in person; *provided*, that the board shall have the power and the uncontrolled discretion to reject any or all applications.

SEC. 17. The selling prices of the several allotments into which lands purchased under this act are subdivided, other than those set aside for townsite and public purposes, shall be fixed by the board, so as to render such allotments as nearly as possible equally attractive, and calculated to return to the state the original cost of the land, together with a sufficient sum added thereto to cover all expenses and costs of surveying, improving, subdividing, and selling such lands, including the payment of interest, and all costs of engineering, superintendence, and administration, including the cost of operating any works built, directly chargeable to such land, and also the price of so much land as shall on subdivision be used for roads and other public purposes, and also such sum as shall be deemed necessary to meet unforeseen contingencies.

SEC. 18. Every approved applicant shall enter into a contract of purchase with the board, which contract shall among other things provide that the purchaser shall pay as a cash deposit a sum equal to five per cent of the sale price of the allotment and in addition not less than ten per cent of the cost of any improvements made thereon, and, unless prepared to pay one-half of the purchase price in cash, such applicant shall enter into an agreement to make an immediate application for a loan from the federal farm loan bank under the provisions of the federal farm loan act for an amount equal to fifty per cent of the appraised value of the land and twenty per cent of the value of the improvements thereon, and shall pay the amount of any loan so made to the board as a partial payment on such land and improvements. The balance due on the land shall be paid in amortizing payments extending over a period to be fixed by the board not exceeding forty years, together with interest therefor at the rate of five per cent per annum. The amount due on improvements shall be paid in amortizing payments extending over a period to be fixed by the board not exceeding twenty years, together with interest thereon at the rate of five per cent per annum. The repayment of loans made on live stock or implements shall extend over a period to be fixed by the board not exceeding five years; *provided, however*, in

each case, that the settler shall have the right on any installment date after five years from the first payment, but not before, to pay any or all installments still remaining unpaid.

SEC. 19. The number and amount of yearly or half yearly installments of principal and interest to be paid to the board under contracts of purchase shall be calculated according to any table adopted or approved by the federal farm loan board.

SEC. 20. Every contract entered into between the board and an approved purchaser shall contain among other things provisions that the purchaser shall cultivate the land in a manner to be approved by the board and shall keep in good order and repair all buildings, fences, and other permanent improvements situated on his allotment, reasonable wear and tear and damage by fire excepted. Each settler shall, if required, insure and keep insured against fire all buildings on his allotment, the policies therefor to be made out in favor of the board and to be such amount or amounts and in such insurance companies as may be prescribed by the board.

SEC. 21. No allotment sold under the provisions of this act shall be transferred, assigned, mortgaged, or sublet in whole or in part, within five years after the date of such contract without the consent of the board given in writing. At the expiration of five years after the purchase of an allotment, if the board is satisfied that all covenants and conditions of the contract covering such allotment purchase have been complied with, the purchaser may, with the written consent of the board, transfer, assign, mortgage, sublet, or part with the possession of the whole or any part of the allotment covered by such contract.

In the event of a failure of a settler to comply with any of the terms of his contract of purchase and agreement with the board, the state and the board shall have the right at its option to cancel the said contract of purchase and agreement and thereupon shall be released from all obligation in law or equity to convey the property and the settler shall forfeit all right thereto and all payments theretofore made shall be deemed to be rental paid for occupancy. The failure of the board or the state to exercise any option to cancel for any default shall not be deemed as a waiver of the right to exercise the option to cancel for any default thereafter on the settler's part. But no forfeiture so occasioned by default on the part of the settler shall be deemed in any way or to any extent to impair the lien and security of the mortgage or trust instrument securing any loan that it may have made as in this act provided. The board shall have the right and power to enter into a contract of purchase for the sale and disposition of any land forfeited as above provided, because of default on the part of a settler.

SEC. 23. Actual residence on any allotment sold under the provisions of this act shall commence within six months from the date of the approval of the application and shall continue for at least eight months in each calendar year for at least ten years from the date of the approval of the said application, unless prevented by illness or some other cause satisfactory to the board; *provided*, that in case any farm allotment disposed of under this act is returned to and resold by the state, the time of residence of the preceding purchaser may in the discretion of the board be credited to the subsequent purchaser.

SEC. 24. The power of eminent domain shall be exercised by the state at the request of the board for the condemnation of water rights and rights of way for roads, canals, ditches, dams, and reservoirs necessary or desirable for carrying out the provisions of this act, and on request of the board the attorney general shall bring the necessary and appropriate proceedings authorized by law for such condemnation of said water rights or rights of way, and the cost of all water rights or rights of way so condemned shall be paid out of the land settlement fund hereinafter provided for. The board shall have full authority to appropriate water under the laws of the state when such appropriation is necessary or desirable for carrying out the purposes of this act.

SEC. 25. For the purpose of carrying out the provisions of this act the sum of two hundred sixty thousand dollars is hereby appropriated out of any moneys in the state treasury not otherwise appropriated. Of this amount, the sum of two hundred fifty thousand dollars shall constitute a revolving fund to be known as the "land settlement fund," which is calculated to be returned to the state with interest at the rate of four per cent per annum within a period of fifty years from the date of the passage of this act. The remaining ten thousand dollars shall constitute a fund available for the payment of administrative expenses alone until such time as other moneys are available for such purposes from the sales of land as provided for in this

act. The state controller is hereby authorized and directed to draw warrants upon such funds from time to time upon requisition of the board approved by the state board of control, and the state treasurer is hereby authorized and directed to pay such warrants.

SEC. 26. The state board of control is hereby authorized to provide for advances of money to the board needed to meet contingent expenses to such an amount, not exceeding five thousand dollars as the said board of control shall deem necessary.

SEC. 27. The money paid by settlers on lands, improvements, or in the repayment of advances, shall be deposited in the land settlement fund and be available under the same conditions as the original appropriation for the following purposes:

(a) Making improvements on land being prepared for settlement;

(b) Making advances to settlers; and

(c) Completing payments on lands purchased; *provided*, that when these expenditures on an area of ten thousand acres shall have been completed, then all moneys received shall be paid into the state treasury and used to reimburse the state for the land settlement fund created by this act.

SEC. 28. The board with the approval of the governor shall have authority to make all needed rules and regulations for carrying out the provisions of this act.

SEC. 29. The board is hereby authorized to investigate land settlement conditions in California and elsewhere and to submit recommendations for such legislation as may be deemed by it necessary or desirable.

SEC. 30. The act of the legislature entitled "An act providing for the appointment of a commission to investigate and report at the forty-second session of the legislature relative to the adoption of a system of land colonization and rural credits and making an appropriation therefor, approved May 17, 1915, is hereby repealed.

SEC. 31. This act may be known and cited as the "land settlement act."

SENATE BILL NO. 221.

CHAPTER 450.

An act to amend an act entitled "An act creating a state land settlement board and defining its powers and duties and making an appropriation in aid of its operations," approved June 1, 1917, by amending sections two, four, five, nine, ten, eleven, fourteen, fifteen, eighteen, twenty, twenty-one, twenty-five, twenty-seven, twenty-eight and twenty-nine thereof, and by adding a new section thereto to be numbered section twenty-two, and making an appropriation for the purpose of carrying out the provisions of said act.

The people of the State of California do enact as follows:

SECTION 1. Section two of an act entitled "An act creating a state land settlement board and defining its powers and duties and making an appropriation in aid of its operations," approved June 1, 1917, is hereby amended to read as follows:

SEC. 2. The object of this act is to provide employment and rural homes for soldiers, sailors, marines and others who have served with the armed forces of the United States in the European war or other wars of the United States, including former American citizens who served in allied armies against the central powers and have been repatriated, and who have been honorably discharged, to promote closer agricultural settlement, to assist deserving and qualified persons to acquire small improved farms, to demonstrate the value of adequate capital and organized direction in subdividing and preparing agricultural land for settlement, and to provide homes for farm laborers.

To carry out the objects herein stated, there is hereby created a state land settlement board to consist of five members appointed by the governor to hold office for a term of four years and until their successors have been appointed and shall have qualified; *provided, however*, that of the members first appointed two shall be appointed to hold office until the first day in January, 1918, one until the first day in January, 1919, one until the first day in January, 1920, and one until the first day in January, 1921.

The governor shall designate one of the members as chairman of the board and director of land settlement. The secretary may or may not be a member of the board.

The board shall appoint such expert, technical, and clerical assistance as may prove necessary, and shall define their duties. It shall fix the salaries of all employees, with the approval of the state board of control.

The four members of the board shall receive a per diem for each meeting attended, and the chairman shall receive a salary, said per diem and salary to be fixed by the state board of control with the approval of the governor. The members shall also receive their actual necessary traveling expenses in the discharge of their duties.

The said land settlement board shall have power to co-operate with and to contract with the duly authorized representatives of the United States government in carrying out the provisions of this act.

SEC. 2. Section four of said act is hereby amended to read as follows:

Sec. 4. For the purposes of this act, the board may acquire on behalf of the state by purchase, gift or the exercise of the power of eminent domain, all lands, water rights and other property needed for the purposes hereof, and may take title in trust and shall without delay improve, subdivide and sell such land, water rights and other property with appurtenances and rights to approved bona fide settlers; the board shall have the authority to set aside for townsite purposes a suitable area purchased under the provisions of this act and to subdivide such area and sell or lease the same for cash, in lots of such size, and with such restrictions as to resale, as they shall deem best; *and provided, further*, that the board shall have authority to set aside and dedicate to public use such area or areas as it may deem desirable for roads, schoolhouses, churches, or other public purposes.

SEC. 3. Section five of said act is hereby amended to read as follows:

Sec. 5. Whenever the board believes that private land should be purchased for settlement under this act, it shall give notice by publication in one or more newspapers of general circulation in this state, setting forth approximately the area and character of the land desired and the conditions that shall govern the proposed purchase, and inviting owners of land willing to enter into a contract of sale on the conditions proposed to submit such land for inspection.

SEC. 4. Section nine of said act is hereby amended to read as follows:

Sec. 9. If from the evidence submitted or from the results of its personal inspection, the board is satisfied that one or more of the tracts submitted are suited to intensive, closer settlement and can be acquired at a reasonable price, it shall submit to the governor its report, giving the reasons for recommending the purchase, and on the approval of the governor the board shall be authorized to purchase the same; *provided*, that before such purchase is made, the attorney general shall approve the title of such lands and any water rights appurtenant thereto, and the state water commission shall certify in writing as to the sufficiency of any water rights to be conveyed.

SEC. 5. Section ten of said act is hereby amended to read as follows:

Sec. 10. All sales to settlers of land under this act shall be made under such terms and conditions as shall give to the board full control of any subdivisions thereof until all moneys advanced by the state for the purchase, improvement, or equipment of such subdivisions are fully repaid, together with interest thereon as herein provided.

SEC. 6. Section eleven of said act is hereby amended to read as follows:

Sec. 11. Immediately upon taking possession of any land purchased as above, and after deducting any areas to be set aside for townsites or public purposes in accordance with section four of this act, the board shall subdivide it into areas suitable for farms and farm laborer's allotments, and lay out, and where necessary, construct roads, ditches, and drains for giving access to and insuring the proper cultivation of the several farms and allotments. The board, prior to disposing of it to settlers, or at any time after such land has been disposed of, but not after the end of the fifth year from the commencement of the term of the settler's purchase contract, may—

(a) Prepare all or any part of such land for irrigation and cultivation;

(b) Seed, plant, or fence such land, and cause dwelling houses and outbuildings to be erected on any farm allotment or make any other improvements not specified above necessary to render the allotment habitable and productive in advance of or after settlement, the total cost to the board of such dwellings, outbuildings, and improvements not to exceed one thousand five hundred (\$1,500) dollars on any one farm allotment;

(c) Cause cottages to be erected on any farm laborer's allotment and provide a domestic water supply, the combined cost to the board of the cottage and water supply not to exceed eight hundred (\$800) dollars on any one farm laborer's allotment;

(d) Make loans to approved settlers on the security of permanent improvements, stock and farm implements, such loans to be secured by mortgage or mortgages, deed or deeds of trust on such permanent improvements, stock or farm implements, and the total amount of any such loan, together with money spent by the board on improvements as above specified, not to exceed three thousand dollars on any one farm allotment, or two thousand dollars on any one farm laborer's allotment.

SEC. 7. Section fourteen of said act is hereby amended to read as follows:

Sec. 14. Lands disposed of under this act, other than lands set aside for town-sites or public purposes, shall be sold either as farm allotments, each of which shall have a value not exceeding, without improvements, fifteen thousand dollars, or as farm laborers' allotments, each of which shall have a value not exceeding, without improvements, one thousand dollars. Before any part of an area is thrown open for settlement there shall be public notice thereof once a week for four weeks in one or more daily newspapers of general circulation in the state, setting forth the number and size of farm allotments or farm laborer's allotments, or both, the prices at which they are offered for sale, the minimum amount of capital a settler will be required to have, the mode of payment, the amount of cash payment required, and such other particulars as the board may think proper and specifying a definite period within which applications therefor shall be filed with the board on forms provided by the board. The board shall have the right in its uncontrolled discretion to reject any or all applications it may see fit and may readvertise as aforesaid as often as it sees fit until it receives and accepts such number of applications as it may deem necessary.

If no applications satisfactory to the board are received for any farm allotment or farm laborer's allotment following such advertising, the board at any time prior to readvertising, may sell any such farm allotment or farm laborer's allotment at the prices at which they were so offered for sale, without the necessity of readvertising.

The board shall also have the power in dealing with any such farm allotments or farm laborer's allotments for which there has been no such application satisfactory to the board, to subdivide or amalgamate any one or more of such allotments as it may see fit, and fix the prices thereon, provided that the limitations of fifteen thousand dollars for a farm allotment and one thousand dollars for the farm laborer's allotment, as in this section set forth, are not violated. Such subdivision or amalgamation may be had without the necessity of readvertising.

The board may also sell at public auction, under such conditions of sale and notice thereof as the board may prescribe, any areas which the board may determine are not suitable for farm allotments or farm laborer's allotments, whether or not included in any subdivision into farm allotments or farm laborer's allotments; *provided*, that if such area has been included in such a farm allotment or farm laborer's allotment, then such sale at public auction can be made only after a failure to receive any application satisfactory to the board after the advertising thereof, as required by the terms of this section.

SEC. 8. Section fifteen of said act is hereby amended to read as follows:

Sec. 15. Any citizen of the United States, or any person who has declared his intention of becoming a citizen of the United States, and who is not the holder of agricultural land or of possessory rights thereto to the value of fifteen thousand dollars, and who by this purchase would not become the holder of agricultural land or of possessory rights thereto exceeding such value, and who is prepared to enter within six months upon actual occupation of the land acquired, may apply for and become the purchaser of either a farm allotment or a farm laborer's allotment; *provided*, that no more than one farm allotment or more than one farm laborer's allotment shall be sold to any one person; *provided, further*, that no applicant shall be approved who shall not satisfy the board as to his or her fitness successfully to cultivate and develop the allotment applied for.

The board may, in offering for sale farm allotments or farm laborer's allotments, co-operate or contract with the duly authorized representatives of the United States government and other public corporations or agencies generally. The board is hereby authorized to perform all acts necessary to co-operate fully with the agencies of the United States engaged in work of similar character, and with similar boards and agencies of other states. In any such sales made in co-operation with such representatives or agencies of the United States government, preference must be given to soldiers, sailors, marines and others who have served with the armed forces of the United States in the European war or other wars of the United States, including former American citizens who served in allied armies against the central powers, and have been repatriated, and who have been honorably discharged. The board may

likewise, whether or not acting in co-operation with the duly authorized representatives of the United States government, give such preference to any of such citizens of California, who as soldiers, sailors, marines and others have served with the armed forces of the United States, as in this section described.

SEC. 9. Section eighteen of said act is hereby amended to read as follows:

Sec. 18. Every approved applicant shall enter into a contract of purchase with the board, which contract shall among other things provide that the purchaser shall pay as a cash deposit a sum equal to five per cent of the sale price of the allotment and in addition not less than ten per cent of the cost of any improvements made thereon, and such applicant shall, if required by the board, enter into an agreement to apply for a loan from the federal land bank under provisions of the federal farm loan act for an amount to be fixed by the board, and shall pay to the board the amount of any loan so made as a partial payment on such land and improvements. The balance due on the land shall be paid in amortizing payments extending over a period to be fixed by the board, not exceeding forty years, together with interest thereon at the rate of five per cent per annum. The amount due on improvements shall be paid in amortizing payments extending over a period to be fixed by the board not exceeding twenty years, together with interest thereon at the rate of five per cent per annum. The repayment of loans made on live stock or implements shall extend over a period to be fixed by the board not exceeding five years; *provided, however*, in each case, that the settler shall have the right, on any installment date, to pay any or all installments still remaining unpaid.

SEC. 10. Section twenty of said act is hereby amended to read as follows:

Sec. 20. Every contract entered into between the board and an approved purchaser shall contain among other things provisions that the purchaser shall cultivate the land in a manner to be approved by the board and shall keep in good order and repair all buildings, fences, and other permanent improvements situated on his allotment, reasonable wear and tear and damage by fire excepted. Each settler shall, if required, insure and keep insured against fire all buildings on his allotment, the policies therefor to be made out in favor of the board and to be in such amount or amounts and in such insurance companies as may be prescribed by the board.

The board shall have power in its own name to insure and keep insured against fire all buildings or other improvements on any of the lands under the control of the board, and any contract of insurance heretofore made by the board is hereby ratified and confirmed. The board shall likewise have the power in any contract of purchase under which the board purchases lands as authorized in this act, to provide for the return by the board to the owner so selling to the state of any insurance premiums or taxes which may have been paid on said property by such owner, or for which such owner may have become obligated to pay, and any such agreement or contract of purchase heretofore made by the board is hereby ratified and confirmed.

SEC. 11. Section twenty-one of said act is hereby amended to read as follows:

Sec. 21. No allotment sold under the provisions of this act shall be transferred, assigned, mortgaged, or sublet in whole or in part, without the consent of the board given in writing, until the settler has paid for his farm allotment or farm laborer's allotment in full and complied with all of the terms and conditions of his contract of purchase.

SEC. 12. Section twenty-five of said act is hereby amended to read as follows:

Sec. 25. For the purpose of carrying out the provisions of this act the sum of two hundred sixty thousand dollars is hereby appropriated out of any moneys in the state treasury not otherwise appropriated. Of this amount, the sum of two hundred fifty thousand dollars shall constitute a revolving fund to be known as the "land settlement fund," which is calculated to be returned to the state with interest at the rate of four per cent per annum within a period of fifty years from the date of the passage of this act, on the daily balances representing the amounts drawn out of such fund and thus depleting the fund to an amount less than said sum of two hundred fifty thousand dollars, which said daily balances shall be so calculated only on the amounts so drawn out of such fund, from the date of the passage of this act. The remaining ten thousand dollars shall constitute a fund available for the payment of administrative expenses alone until such time as other moneys are available for such purpose from the sales of land as provided for in this act.

SEC. 13. Section twenty-seven of said act is hereby amended to read as follows:

Sec. 27. The money paid by settlers on lands, improvements, or in the repayment of advances, shall be deposited in the land settlement fund and be available under the same conditions as the original appropriation.

SEC. 14. Section twenty-eight of said act is hereby amended to read as follows:

Sec. 28. The board shall have authority to make all needed rules and regulations for carrying out the provisions of this act.

SEC. 15. Section twenty-nine of said act is hereby amended to read as follows:

Sec. 29. The board is hereby authorized to investigate land settlement conditions in California and elsewhere and to submit recommendations for such legislation as may be deemed by it necessary or desirable.

The board shall render an annual report to the governor and a copy thereof to the secretary of the interior, which report shall be filed and printed as required by sections three hundred thirty-two, three hundred thirty-three, three hundred thirty-four, three hundred thirty-six and three hundred thirty-seven of the Political Code, with the exception that they shall be so filed and printed annually instead of biennially, as provided in said sections.

SEC. 16. A new section is hereby added to said act, numbered twenty-two, to read as follows:

Sec. 22. In the event of a failure of a settler to comply with any of the terms of his contract of purchase and agreement with the board, the state and the board shall have the right at its option to cancel the said contract of purchase and agreement and thereupon shall be released from all obligation in law or equity to convey the property and the settler shall forfeit all right thereto and all payments theretofore made shall be deemed to be rental paid for occupancy. The board may require of the settler such mortgage or deed of trust or other instrument as may be necessary under the terms and conditions of the contract of purchase in order to adequately protect and secure the board. There may be included in such contract of purchase, mortgage, deed of trust or other instrument any conditions with reference to sale of the property or reconveyance back to the board or notice of such sale or reconveyance as may in the discretion of the board be required to be so included in such contract of purchase, mortgage, deed of trust or other instrument, in order to so adequately protect the said board in the premises; and any such contracts of purchase, mortgages, deeds of trust or other instruments heretofore executed are hereby confirmed. The failure of the board or of the state to exercise any option to cancel, or other privilege under the contract of purchase for any default shall not be deemed as a waiver of the right to exercise the option to cancel or other privilege under the contract of purchase for any default thereafter on the settler's part. But no forfeiture so occasioned by default on the part of the settler shall be deemed in any way, or to any extent, to impair the lien and security of the mortgage or trust instrument securing any loan that it may have made as in this act provided. The board shall have the right and power to enter into a contract of purchase for the sale and disposition of any land forfeited as above provided, because of default on the part of a settler, and this right may be exercised indefinitely without the necessity of advertising.

SEC. 17. For the purpose of carrying out the provisions of this act and of the act amended by this act, the sum of one million dollars is hereby appropriated out of any moneys in the state treasury not otherwise appropriated, which sum of one million dollars is calculated to be returned to the state within a period of fifty years from the date of this appropriation of one million dollars going into effect, with interest at the rate of four per cent per annum on the daily balances representing the amounts drawn out of such appropriation, and thus depleting the appropriation to an amount less than said sum of one million dollars. The state controller is hereby authorized and directed to draw warrants upon such funds from time to time upon requisition of the board approved by the state board of control, and the state treasurer is hereby authorized and directed to pay such warrants.

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